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**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: Response of South Carolina Electric & Gas Company to statements made by the South Carolina Office of Regulatory Staff to The State Newspaper

Dear Ms. Boyd:

We are writing to express the disappointment of South Carolina Electric & Gas Company ("SCE&G" or "Company") concerning certain statements attributed to the South Carolina Office of Regulatory Staff ("ORS") that were published in a recent newspaper article titled, "2nd undisclosed report shows delays, poor oversight doomed SC nuke project." The purpose of this letter is to inform the Public Service Commission of South Carolina ("Commission") that (i) certain ORS statements in the article are incorrect, (ii) SCE&G made ORS aware of its incorrect statements, and (iii) SCE&G is unaware that the public has been informed of ORS's misstatements.

On November 30, 2017, The State Newspaper published an article stating, "State regulators . . . said Thursday that they were unaware of the Fluor report's existence until told of it by The State." The article continued, "Officials with the Office of Regulatory Staff said they knew Fluor had done some type of Summer study. But agency officials had not seen the report until The State newspaper contacted them, seeking comment Thursday." The article later quoted ORS as stating, "SCANA's SCE&G subsidiary should have told regulators about the report."

On March 27, 2017, two days before Westinghouse Electric Company, LLC ("WEC") filed bankruptcy on March 29, 2017, Fluor provided SCE&G with a copy of a report dated February 8, 2017, along with a prior draft of the report dated October 21, 2016, which was the subject of the November 30 article. This report consisted of a portion of the total of estimate of costs to complete the nuclear project. After WEC filed bankruptcy, SCE&G initiated its own internal estimate to complete the nuclear project, and on April 17, 2017, SCE&G provided ORS with access to a document

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entitled "Estimate to Completion ("ETC") Assessment" dated April 11, 2017. This document contained information informing ORS that the Company was in receipt of the Fluor report. On June 20, 2017, SCE&G held a meeting with ORS and others in which SCE&G discussed the Company's estimate to complete the nuclear project. At this meeting, SCE&G discussed the Fluor report and how the Company incorporated the Fluor report into SCE&G's assessment. After the meeting and on June 21, 2017, SCE&G provided ORS with access to the Fluor report, which consisted of the October 21, 2016 draft and the February 8, 2017 draft. According to SCE&G's records, ORS accessed the February 8, 2017 version of the Fluor report on June 22, 2017, and on November 30, 2017, ORS accessed the October 21, 2016 version of the Fluor report.

After learning of ORS's statements to The State Newspaper, SCE&G contacted ORS to remind it that SCE&G had previously provided ORS with access to the Fluor report after SCE&G had received it. As of the date of this letter, however, SCE&G is not aware that the public has been informed that the Company advised ORS of and provided it with access to the Fluor report earlier this year. Instead, The State Newspaper, on December 5, 2017, published a subsequent article focusing again on the Fluor report repeating ORS's November 30 statement that it was unaware of the existence of the report.

Due to the seriousness of this misinformation and the failure by anyone to inform the public of the incorrect nature of these statements, it is necessary that SCE&G inform the Commission that the Company informed ORS of the Fluor report on April 17, 2017, discussed the Fluor report with ORS on June 20, 2017, and provided ORS with access to the Fluor report on June 21, 2017, which was then accessed by ORS on June 22, 2017, and again on November 30, 2017.

If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms

cc: Nanette S. Edwards, Esquire  
Shannon Bowyer Hudson, Esquire  
Joseph Melchers, Esquire  
(all via electronic mail and U.S. First Class Mail)